

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**July 20, 2001**

<b>IN RE:</b>	)	
	)	
<b>PETITION FOR APPROVAL OF THE COMBINATION</b>	)	<b>DOCKET NO.</b>
<b>AGREEMENT AND AMENDMENT THERETO NEGOTIATED</b>	)	<b>01-00338</b>
<b>BETWEEN BELL SOUTH TELECOMMUNICATIONS, INC.</b>	)	
<b>AND NEWSOUTH COMMUNICATIONS, CORP. PURSUANT</b>	)	
<b>TO THE TELECOMMUNICATIONS ACT OF 1996</b>	)	

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**ORDER APPROVING COMBINATION AGREEMENT  
AND AMENDMENT TO INTERCONNECTION AGREEMENT**

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This matter came before the Tennessee Regulatory Authority (the "Authority") upon the Petition for Approval of the Combination Agreement (the "Agreement") and the Amendment to the Interconnection Agreement (the "Amendment") negotiated between BellSouth Telecommunications, Inc. ("BellSouth") and NewSouth Communications, Corp. ("NewSouth"). The Petition for Approval of the Agreement and Amendment came before the Authority pursuant to 47 U.S.C. §§ 251 and 252.

The original Interconnection Agreement was filed with the Authority on July 9, 1998, Docket No. 98-00465. It was approved at a regularly scheduled Authority Conference held on August 18, 1998. Although this agreement expired June 30, 2000, BellSouth and NewSouth have continued to operate under the rates, terms and conditions of the expired interconnection agreement pending approval of a new interconnection agreement.

The Agreement and Amendment filed on April 16, 2001, were considered at a regularly scheduled Authority Conference held on June 26, 2001, in Nashville, Tennessee before Chairman Sara Kyle, Director H. Lynn Greer, Jr., and Director Melvin J. Malone. The Authority has jurisdiction over public utilities pursuant to Tenn. Code Ann. § 65-4-104 *et seq.* Based upon the Petition, the record in this matter, and the standards for review set forth in 47 U.S.C. §§ 251 and 252, the Directors unanimously approved the Agreement and Amendment and made the following findings and conclusions:

- 1) The Agreement and Amendment are in the public interest as they provide consumers with alternative sources of telecommunications services within the BellSouth service area;
- 2) The Agreement and Amendment are not discriminatory to telecommunications service providers that are not parties thereto;
- 3) No party has sought intervention in this docket;
- 4) The Agreement and Amendment satisfy the standards for approval of negotiated interconnection agreements set forth in 47 U.S.C. §§ 251 and 252;<sup>1</sup> and
- 5) The Agreement and Amendment are reviewable by the Authority pursuant to 47 U.S.C. §§ 251 and 252 and Tenn. Code Ann. § 65-4-104 *et seq.*

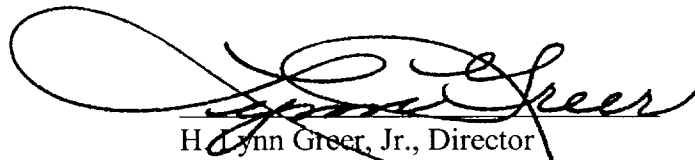
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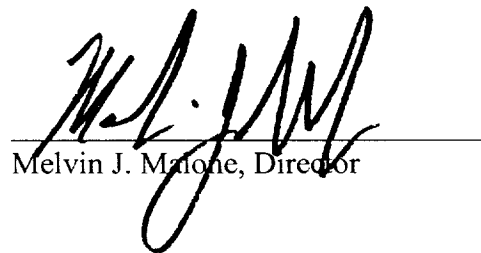
<sup>1</sup> The Agreement contains rates, terms and conditions for combinations that are “already combined” in BellSouth’s network to provide service to a particular end user at a particular location. The Agreement does not provide for combinations that occur anywhere in BellSouth’s network. As a result, the Agreement is not consistent with previous Authority arbitration orders addressing combinations. *See In re: Petition for Arbitration of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and Intermedia Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996*, Docket No. 99-00948, *Interim Order of Arbitration Award*, pp. 26-28 (Jun. 25, 2001). Additionally, the combination rates contained in the Agreement are not calculated in a manner consistent with the Authority’s order in the Permanent Prices Docket. *See In re: Petition of BellSouth Telecommunications, Inc. to Convene a Contested Case to Establish “Permanent Prices” for Interconnection and Unbundled Network Elements*, Docket No. 97-01262, *Correction of Transcript of April 25, 2000 Authority Conference and Erratum to Second Interim Order Re: Revised Cost Studies and Geographic Deaveraging*, p. 2 (Mar. 6, 2001).

**IT IS THEREFORE ORDERED THAT:**

The Combination Agreement and the Amendment to the Interconnection Agreement negotiated by and between BellSouth Telecommunications, Inc. and NewSouth Communications, Corp. is approved and is subject to the review of the Authority as provided herein.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary